

Spending scenarios

Students consider everyday spending decisions by working through real-world scenarios in this quick collaborative activity.

Learning goals

Big idea

People face spending decisions every day.

Essential questions

- What criteria do people use when they make spending decisions?
- How is my financial decision-making process different from others?

Objectives



- Explore criteria for making spending decisions
- Understand the role of spending in their lives

What students will do

- Make spending decisions based on scenarios.
- Decide whether to agree or disagree with other students' spending decisions.

KEY INFORMATION

Building block:

-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Spend (Budgeting)

School subject: CTE (Career and technical education), Performing arts, Social studies or history

Teaching strategy: Cooperative learning

Bloom's Taxonomy level: Understand, Apply

Activity duration: 15-20 minutes

STANDARDS

Council for Economic Education
Standard II. Buying goods and services

Jump\$tart Coalition
Spending and saving - Standard 4
Financial decision-making - Standard 1

Preparing for this activity

- ☐ Print one copy, single-sided, of the “[Spending scenarios](#)” (included in this guide).
- ☐ Cut the eight spending scenarios into strips.
- ☐ Gather index cards or half sheets of plain paper so each student has something to write on.

What you’ll need

THIS TEACHER GUIDE

- [Spending scenarios](#) (guide)
[cfpb_building_block_activities_spending-scenarios_guide.pdf](#)

STUDENT MATERIALS

- Index cards or half sheets of plain paper

Exploring key financial concepts

Consumers face a number of decisions about money every day. Financial habits and decision-making skills help you navigate financial choices and stay on a path to financial well-being.

Teaching this activity

Whole-class introduction

- Explain to students that they will be exploring a scenario that details a real-world situation that requires someone to make spending choices.
- Their task is to reflect on their own spending experience and personal knowledge to make spending recommendations to the subject of the scenario.
- Let students know that each group will share their spending scenario with the rest of the class.
 - You can decide whether students will simply read their scenario aloud or act out the scenario for others to observe.

TIP

Visit [CFPB’s financial education glossary](#) for terms and definitions you may find useful.

Individual or group work

- Divide students into eight groups.
- Give each group one spending scenario.
- One person will read it aloud to their group. Then, the group will talk through the question and agree on a group answer.
- They will prepare for their group presentation (which may include acting out the scenario).

TIP

This activity is written as if students are working in groups. However, if you'd like students to work individually, print multiple copies of the "Spending scenarios" sheet (in this guide).

Wrap-up

- Give each student an index card or a half sheet of paper. Have them write the letter "A" (for agree) on one side of the paper and "D" (for disagree) on the other side.
- Each group will read or act out their scenario. Then, they'll share their spending recommendation.
- Ask the rest of the class to decide whether they agree or disagree with the group's recommendation.
 - On the count of three, students should hold up their cards to show "A" (agree) or "D" (disagree).
- Encourage student discussion after each scenario to show there is more than one way to interpret and respond to a spending decision.
- Help students understand that their opinions help to shape and influence the financial decisions they make.
- Through discussion and questions, communicate the idea that a person's decision-making process is influenced by their own values, attitudes about money, life stage, and needs versus wants.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending such as budgeting, buying things, or paying bills.

Measuring student learning

This is a short activity meant to encourage students to share their own personal knowledge, experiences, and opinions about spending.

- It's not intended to measure student learning but to lay the foundation for further learning.

Keep in mind that students' answers for the reflection question may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

Spending scenarios

Print single-sided. Cut apart the scenarios and give one to each student or group.



Scenario 1

Emilio is trying to decide whether to buy a used pickup truck or a new one. The used truck costs less, but Emilio is concerned it will need a lot of costly repairs because it's an older model. The new truck will likely have higher insurance costs and a larger monthly payment. Based on your spending experience and personal knowledge, what would you recommend to Emilio?



Scenario 2

Rickie loves to shop. Lately, she's been thinking it might be wise to cut back on the time and money she spends shopping. Then again, it's something she really enjoys. Based on your spending experience and personal knowledge, what would you recommend to Rickie?



Scenario 3

Alexander loaned his best friend a lot of money over the past few weeks. He believes his friend will pay him back, but he's also worried that he'll hurt his own finances if he keeps loaning the money. He's not sure what to do next. Based on your spending experience and personal knowledge, what would you recommend to Alexander?



Scenario 4

Jamal has bought dozens of video games over the past few months, and his mom thinks he should stop spending so much money on games. He thinks the games are worth it because he and his friends have lots of fun playing them. But he's starting to wonder if his mom is right. Based on your spending experience and personal knowledge, what would you recommend to Jamal?





Scenario 5

Stephanie is in ninth grade and gets good grades. She believes her grades are high enough to earn a full college scholarship, so she hasn't started saving for college. People keep telling her that she should save for college instead of spending all of her money. Based on your spending experience and personal knowledge, what would you recommend to Stephanie?



Scenario 6

Felicia wants to buy her first car, so she saves most of her money each month. Her friends spend most of their money going out and having fun. Felicia misses going out with her friends and wonders if it's okay to spend a little money on that. Based on your spending experience and personal knowledge, what would you recommend to Felicia?



Scenario 7

Andre really wants to go to an expensive concert. The ticket will use up all the money he has saved, but he believes it's worth it because he really enjoys going to concerts. Based on your spending experience and personal knowledge, what would you recommend to Andre?



Scenario 8

Makayla isn't sure if she needs to get her first job. Many of her friends have started part-time work, but Makayla's parents give her a weekly allowance that helps her buy most of what she wants. If she gets a job, she'll have more money to spend, but she'll also have less free time. Based on your spending experience and personal knowledge, what would you recommend to Makayla?

